

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 212 - HB 396

March 19, 2019

SUMMARY OF ORIGINAL BILL: Exempts accounting and legal service sales from the fee authorized pursuant to Tenn. Code Ann. § 7-88-117 assessed by Davidson County within the Central Business Improvement District.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (006298): Deletes all language after the enacting clause. Authorizes the State Building Commission (SBC) to amend the approval, which it provided prior to the current deadline of December 31, 2018, of any apportionment and distribution of the incremental increase in local sales and use tax revenue collected from a qualified public use facility, consisting of a hotel with at least 500 rooms and related retail, parking, and commercial uses.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

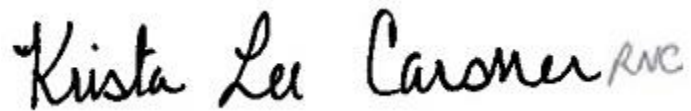
- Public Chapter 1058 of the Public Acts of 2018 added language to the *Convention Center and Tourism Development Financing Act of 1998* (the CCTDFA) to establish, subject to the recommendation of the Comptroller of the Treasury and approval by the SBC no later than December 31, 2018, that the portion of the incremental increase in local sales and use tax revenue shall be apportioned and distributed for one qualified public use facility placed in service no later December 31, 2022, if such facility consists of a hotel with at least 500 hotel rooms and related retail, parking, and commercial uses.
- On October 11, 2018, the SBC voted to approve the addition of a qualified public use facility, a hotel specifically, to the existing Downtown Memphis Tourism Development Zone (TDZ).
- This legislation will allow the SBC to amend its prior approval of such addition to the Downtown Memphis TDZ.

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- It's unclear as to whether any amendment could put the possible apportionment of local tax revenue, attributable to the 500-room hotel and ancillary facilities, at risk or whether this will allow for an additional application for such apportionment which may include additional ramifications unknown at this time.
- For purposes of this fiscal analysis, it is assumed that this legislation will have no significant impact on the current plans for apportionment of incremental local sales tax revenue being allocated to the Downtown Memphis TDZ.
- Any impact on state sales tax revenue is estimated to be not significant; as such revenue would be generated and retained by the state in the absence of this legislation.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner" followed by a stylized monogram "RLC".

Krista Lee Carsner, Executive Director

/jrh